



## Meghmani Finechem Limited

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June 01, 2022

To,

National Stock Exchange of India Limited "Exchange Plaza", Bandra-Kurla Complex, Bandra (East) Mumbai 400 051  <b>SYMBOL:- MFL</b>	BSE Limited Floor- 25, P J Tower, Dalal Street, Mumbai 400 001  <b>Scrip Code 543332</b>
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Dear Sir,

Sub: - Press Release

Ref.: - Regulation 30 of SEBI (LODR) Regulations, 2015

We are enclosing a copy of the Press Release on "Meghmani Finechem Commissions India's first Epichlorohydrin Plant".

The aforesaid information is also being placed on the website of the Company at [www.meghmanifinechem.com](http://www.meghmanifinechem.com).

Kindly take the same on record.

Yours faithfully,

For Meghmani Finechem Limited

  
(K D Mehta)  
Company Secretary & Compliance Officer  
Membership No. FCS 2051





## Press Release

### Meghmani Finechem commissions India's first Epichlorohydrin plant

- Based on 100% renewable resources – adopting the glycerol route
- Commissioned on time and within committed capex
- Further strengthening our fully integrated complex
- India's ECH demand is entirely met through imports

**Ahmedabad, 1 June, 2022:** Meghmani Finechem Limited ('MFL' or the company), a leading manufacturer of Chlor-Alkali and its value added Derivatives, on Wednesday announced the successful commissioning of Epichlorohydrin (ECH) Plant of 50,000 TPA capacity. Despite a challenging external environment, the plant is commissioned on time and without any cost overrun, a testimony of the company's strong project execution skills.

Meghmani Finechem Ltd is the first company in India to commission an ECH plant – a currently fully imported product. MFL's entry into this product is in line with the Government's initiative of Aatmanirbhar Bharat and Make in India. This will reduce the dependence of ECH consumer on imports thereby helping the country save its foreign exchange reserves.

ECH can be manufactured through propylene or glycerin process, with glycerin process being the most environmentally friendly. MFL has opted the glycerin process, where key raw material being used is a fully renewable resource. This process significantly reduces the energy and water consumption thereby reducing the Company's carbon footprint.

In India, approximately 80% of ECH goes into Epoxy Resin manufacturing, which is further used in industries such as paint, automotive, construction material, windmill, adhesives, electronics, etc. The remaining 20% of the ECH is consumed by the pharmaceuticals industry, for water treatment and paper chemicals, demand for which is also expected to grow significantly. With increased GOI focus on Infrastructure development and expected pick up in Indian consumption story, indirect demand for ECH is expected to grow significantly. Currently demand for ECH in India is around 80 KTPA, but considering the increase and new capacities of Epoxy resin in coming years, we see a significant surge in demand of ECH in next 2 – 3 years, plus the normal demand for ECH is expected to grow around 10% in coming five years. Globally, the demand for ECH is expected to grow by 4% to 5%.

ECH is a high value product, considering the current prices of ECH, we expect asset turnover ratio to be above 2.5x, which will improve our absolute EBITDA and will end up providing higher ROCE, ultimately creating value for the shareholders.

**Commenting on the commission of ECH, Mr Maulik Patel; Chairman and Managing Director – MFL said,** *"I am very happy to announce that we commissioned India's very first ECH plant based on Glycerol process where major raw material, glycerine, is 100% renewable resource. Owing to this process, there will be lower consumption of energy and water and will be saving on carbon footprint.*

*I would like to congratulate our project team for commissioning the plant on committed timelines and within the estimated capex limit, even after facing a challenging environment owing to the pandemic and post COVID inflationary environment.*

*On commissioning of ECH plant, we are moving in the direction of being a multi-product company and this will increase revenue contribution from the Derivative segment. Also, this will further strengthen our fully integrated complex, as part of the raw material for ECH will be available within the plant itself.*

*We are in line with our long term vision and are confident to achieve the same”*

### **About Meghmani Finechem Limited**

Meghmani Finechem Limited (“MFL”), incorporated in 2007, is a leading manufacturer of Chlor-Alkali products and value-added Derivatives. The company has state of the art manufacturing facilities in Gujarat, Dahej – a leading PCPIR region in the country. MFL’s Dahej facility is a fully integrated complex with a well-established infrastructure and Captive Power Plants. The company is India’s 4<sup>th</sup> largest manufacturer of Caustic Soda, Chlorine and Hydrogen and a leading manufacturer of Caustic Potash, Chloromethanes and Hydrogen Peroxide. MFL is 1<sup>st</sup> in India to setup an Epichlorohydrin plant and it is based on the Glycerol process.

MFL is now expanding its product base to include specialty chemical products like Chlorinated Polyvinyl Chloride (CPVC) and Chlorotoluene & its value chain, which are a key raw material for multiple end user industries, which are presently catered by 100% import. The company is focused on sustainable value creation for all its stakeholders and has been awarded with the Responsible Care certificate for 3 years.